

SECTION B
SUPPLIES OR SERVICES AND PRICES/COSTS

B.1 BASIC ORDERING AGREEMENT CONDITIONS

- A. _____ (hereafter known as the Seller) has entered into Basic Ordering Agreement (BOA) No. _____ with Fluor Daniel Fernald (hereinafter known as FDF) to furnish the services as described herein.
- B. The Seller agrees and acknowledges:
1. That it will fulfill and perform all of the requirements of the agreement for the consideration stated herein and that it has read and is familiar with each and every part of the agreement.
 2. That it will not subcontract the performance of any of the requirements of this agreement to any lower tier subcontractor except as expressly stated in its proposal without the prior written approval of FDF's designated contract authority identified in Paragraph H.2.

B.2 ITEMS BEING ACQUIRED

- A. This is a firm fixed unit price agreement for Staff Augmentation Service as specified in the Statement of Work, Section C.
- B. The period of performance for this agreement shall be for two years commencing on the date of award with three (3), two (2) year renewal options. FDF may require continued performance of any service at the rates and within the limits specified herein.

B.3 LABOR RATES

- A. **Direct Labor Rate (DLR):** The initial direct labor rate offered by the Seller and accepted by FDF under a release against this Basic Ordering Agreement (BOA) will be the minimum rate actually paid to the employee on that release. FDF retains the right to verify, by contact with the employee, that the employee is being paid at least the Direct Labor Rate (DLR). When FDF determines that an employee is being underpaid, the Contract Administrator will request a refund of or direct withholding from current payment, the amount of any underpayment times the Direct Labor Multiplier(s). Repeated violations of this provision is grounds for termination in accordance with FDF General Provision number A.23 titled "**Default**".
- B. **Direct Labor Multiplier (DLM):** The DLM(s) shall apply for the term of the BOA including all options thereto. The DLM will include all costs other than the Direct Labor Rate and duty related travel expenses (i.e. Seller's G&A, employee benefits, Subcontractor or Team Member indirect rates, profit, or other multipliers and rates). The seller will insert his proposed DLMs below:

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Direct Labor Multiplier: _____

- C. **Billing Rate:** FDF will pay to the Seller the Direct Labor Rate (DLR) times the Direct Labor Multiplier (DLM) indicated below to yield a standard and or overtime loaded billing rate(s) for the selected personnel. This process will be used to establish the hourly billing rate(s) for each individual assigned to this BOA.
- D. **Overtime:** FDF shall advise the Seller on the Resume Cover sheet of the exempt or non-exempt status of its proposed candidates.

(1) Non-exempt employees: The Overtime rates are applicable to all hours worked under this BOA in excess of forty (40) hours per week by persons who are classified as non-exempt to the Fair Labor Standards Act. Fifty percent (50%) will be added to the direct labor rates of non-exempt personnel who work in excess of forty (40) hours per week.

(2) Exempt employees: FDF will pay only the Standard Hourly Billing Rate for all hours worked under this BOA by individuals in excess of forty (40) hours per week who are classified as exempt from the Fair Labor Standards Act.

(3) The following is an example of the computation of standard and overtime billing rates developed in accordance with the above provisions:

	<u>Standard Time</u>	<u>Overtime</u>
Exempt	DLR X DLM	DLR x DLM
Non-exempt	DLR X DLM	DLR X DLM + 50% of DLR

- E. **Direct Labor Rate Adjustments:** All direct labor rates, determined in accordance with paragraph A above, will remain in effect until the next anniversary of the effective date of the BOA. The Contract Administrator will calculate annual rate adjustments which will be effective on the anniversary date of the BOA. The rate adjustments will be calculated by adding the average of DOL and DRI indexes to the current Direct Labor Rate of each employee currently working.

DRI = The latest publication of Data Resources, Inc., Review of the U.S. Economy, Summary Table for the U.S. Economy: - Employment, Cost Index Total Compensation Projection for the current year.

DOL = The latest publication of Department of Labor Monthly Labor Review Table 22 - Employment Cost Index, Private Industry Workers, Professional, Specialty, and Technical Occupations Percent Change for the previous twelve months.

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Note: The DRI and the DOL are published monthly. Publications are as follows:

DRI:	DRI/McGraw Hill	DOL:	Monthly Labor Review
	Hartwell Avenue		Bureau of Labor Statistics
	Lexington, MA 02173		Superintendent of Documents
	617/860-6655		Government Printing Office
			Washington, DC 20402 202/783-3238

B.4 TRAVEL AND OTHER COSTS: Any duty related travel shall be reimbursed in accordance with the FDF travel procedures in effect at the time of approved travel (see Section J, Attachment VII, for the current procedure).

(End of Section)